

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06
SSC-01 IO-13 AID-05 TRSE-00 COME-00 EB-08 LAB-04
SIL-01 AGRE-00 DOTE-00 HEW-04 /099 W
-----005596 071849Z /41
R 071444Z MAR 78
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC 0409

C O N F I D E N T I A L SECTION 1 OF 2 SAN JOSE 1051

E.O.11652: GDS
TAGS: PGOV, PINT, CS
SUBJECT: THE CARAZO CABINET

1. SUMMARY: CARAZO'S CABINET, ANNOUNCED 4 MARCH, COVERS A GOOD CROSS-SECTION OF THE MIDDLE OF THE COSTA RICAN POLITICAL SPECTRUM. FOUR WOMEN WERE GIVEN CABINET POSITIONS. ALL THE NEW APPOINTEES ARE FAVORABLY DISPOSED TO THE US. IT HAS BEEN ANNOUNCED THAT EX-PRESIDENT OF THE FARMER'S ASSOCIATION JUAN RAFAEL ECHEVERRIA VILLAFRANCA WILL BE CARAZO'S AMBASSADOR TO THE US. END SUMMARY

2. PRESIDENT - ELECT RODRIGO CARAZO ANNOUNCED HIS CABINET 4 MARCH. THE FOLLOWING BRIEF BIO SKETCHES WILL BE SUPPLEMENTED LATER BY FULLER BIO REPORTS.

3. ECONOMY, INDUSTRY, AND COMMERCE: FERNANDO ALTMANN ORTIZ. A 47 YEAR OLD OPPOSITION DEPUTY, BUSINESSMAN, AND EXPERIENCED POLITICIAN, ALTMANN IS BASICALLY A CONSERVATIVE WHO LABELS HIMSELF A SOCIAL CHRISTIAN. HIS APPOINTMENT HAS BEEN WELL RECEIVED BY THE BUSINESS COMMUNITY.

4. FINANCE: LIC. HERNAN SAENZ. PROFESSOR OF FINANCE AND TDEAN OF THE UNIVERSITY OF COSTA RICA ECONOMICS SCHOOL,
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SAENZ, 34, IS ALSO EXECUTIVE PRESIDENT OF A LARGE IMPORT COMPANY. HE IS CONSIDERED AN ORTHODOX ECONOMIST WHO SHARES CARAZO'S VIEWS THAT GOVERNMENT SPENDING MUST BE CAREFULLY MEASURED. SAENZ WORKED IN THE FINANCE MINISTRY DURING THE TREJOS ADMINISTRATION (1966-70) WHICH WAS NOTEWORTHY FOR ITS FISCAL CONSERVATISM.

5. LABOR: ESTELA QUESADA. LAWYER, EX-DEPUTY (1953-58), A POLITICAL INTIMATE OF MARIO ECHANDI, AND MINISTER OF EDUCATION DURING THE ECHANDI GOVERNMENT (1958-62), MRS. QUESADA HAS THE REPUTATION OF BEING A HARD BARGAINER AND GOOD ADMINISTRATOR. IN HER 50S, SHE IS ONE OF THE MOST EXPERIENCED OF THE CABINET IN TERMS OF PREVIOUS GOVERNMENT SERVICE.

6. AGRICULTURE: DR. HERNAN FONSECA ZAMORA. FONSECA IS AN AGRONOMIST, NU 1951 GRADUATE OF THE PANAMERICAN AGRICULTURE SCHOOL IN HONDURAS. HE HAS BEEN VICE DEAN OF THE AGRONOMY SCHOOL, AND DIRECTOR OF ITS ZOOLOGY SCHOOL. HE HAS NO PREVIOUS GOVERNMENT EXPERIENCE.

7. PUBLIC WORKS AND TRANSPORTATION: RODOLFO MENDEZ. A PROMINENT CIVIL ENGINEER, MENDEZ IS EX-PRESIDENT OF THE CHAMBER OF INDUSTRIES. HIS FIRST EXPERIENCE IN POLITICS WAS IN MANAGING THE CARAZO CAMPAIGN.

8. PLANNING: WILBURG JIMENEZ CASTRO. EX-VICE MINISTER OF FOREIGN AFFAIRS AND PRESIDENTIAL ADVISOR DURING THE ODUBER GOVERNMENT, JIMENEZ, 53, IS THE ONLY QUASI-PLNER IN THE CABINET. JIMENEZ RETURNS TO PUBLIC ADMINISTRATION, A FIELD IN WHICH HE HAS HAD WIDE EXPERIENCE IN COSTA RICA AND ABROAD WITH THE UN.

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9. FOREIGN AFFAIRS: LIC. RAFAEL ANGEL CALDERON FOURNIER. "JUNIOR" CALDERON, 29 YEAR OLD SON OF THE EX-PRESIDENT AND KEY "CALDERONISTA" COMPONENT OF CARAZO'S UNITY COALITION, IS BEING REWARDED AND AT THE SAME TIME GROOMED FOR A GREATER POLITICAL FUTURE. A LAWYER, HE HAS BEEN A DEPUTY IN THE NATIONAL ASSEMBLY SINCE 1974.

10. INTERIOR (PREVIOUSLY BOTH PUBLIC SECURITY AND GOVERNMENT): LIC. JUAN JOSE ECHEVERRIA BREALEY. 37 YEAR OLD "JOHNNY" ECHEVERRIA, CARAZO'S CLOSEST POLITICAL ADVISOR, WAS AN EX-PLN YOUTH LEADER WHO BOLTED THAT PARTY WITH CARAZO IN 1971. A CARAZO DEPUTY IN THE 1974-78 PERIOD, ECHEVERRIA IS PROBABLY THE MOST LIBERAL MEMBER OF THE CABINET.

11. HEALTH: DR. CARMELO CALVOSA CHACON. AN OLD LINE CALDERONISTA, DR. CALVOSA WAS A VERY CLOSE ADVISOR TO EX-PRESIDENT CALDERON GUARDIA IN THE 60S. HE SERVED IN THE NATIONAL ASSEMBLY IN THE 50S. CALVOSA IS COSTA RICA'S MOST FAMOUS SURGEON.

12. EDUCATION: LIC. MARIA EUGENIA DENGÓ. A PROFESSIONAL EDUCATOR, LIC. DENGÓ COMES FROM A FAMILY PROMINENT IN BOTH PLN AND THE OPPOSITION. SYQ HAS BEEN DEAN OF THE SCHOOL OF EDUCATION OF THE UNIVERSITY OF COSTA RICA, AND HAS HELD A VARIETY OF OTHER IMPORTANT UNIVERSITY POSITIONS. LIC. DENGÓ STUDIED AT THE UNIVERSITY OF MINNESOTA IN 1946.

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C O N F I D E N T I A L SECTION 2 OF 2 SAN JOSE 1051

13. HUMAN PROMOTION (PREVIOUSLY CULTURE): DR. MARINA VOLIO BRENES. DRA. VOLIO, 34, IS A EUROPEAN EDUCATED (SPAIN AND FRANCE) HISTORIAN WHO PUT TOGETHER THE CULTURE PART MU UNIDAD'S PLATFORM. A MODERATE, SHE IS FROM THE POLITICALLY PROMINENT VOLIO FAMILY (EX-PLN MINISTER OF EDUCATION FERNANDO VOLIO IS A COUSIN).

14. MINISTER OF THE PRESIDENCY: LIC. JOSE R. CORDERO CROCERÍ. AN EX-LIBERACIONISTA WITH WIDE POLITICAL EXPERIENCE AS DEPUTY, AMBASSADOR, AND HIGH OFFICIAL IN THE MINISTRY OF PUBLIC SECURITY, CORDERO, 47, WILL DIRECT A RESTRUCTURED CASA PRESIDENCIAL FOR CARAZO. CORDERO HAS STUDIED IN SPKN, ARGENTINA, AND BRAZIL.

15. ATTORNEY GENERAL: LIC. ELIZABETH ODIO. ODIO, A WIDELY EXPERIENCED LABOR LAWYER, IS ALSO RESPECTED HERE FOR BEING A BRIGHT, TOUGH, FEMALE POLITICAL FIGURE. SHE ALSO HAS A PLN BACKGROUND.

16. AMBASSADOR TO US: LIC. JOSE RAFAEL ECHEVERRÍA VILLAFRANCA. "MACHO" ECHEVERRÍA IS A BUSINESSMAN AND CATTLE RAISER IN HIS LATE 50S WHO UNTIL RECENTLY WAS PRESIDENT OF THE FARMER'S ASSOCIATION. LONG A CARAZO

SUPPORTER, ECHEVERRIA WAS VP CANDIDATE ON THE CARAZO TICKET
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IN 1974. ECHEVERRIA HAS BEEN LONG AND FAVORABLY KNOWN TO
EMBASSY. BY HIS OWN ADMISSION, HE WAS A SURPRISE CHOICE
FOR THE JOB.

17. IN OTHER KEY APPOINTMENTS, CARAZO NAMED CONSERVATIVE
BUSINESSMAN GUILLERMO GONZALEZ TRUQUE CENTRAL BANK PRES-
IDENT; EX-MINISTER OF CULTURE (IN ODUBER GOVERNMENT) CARMEN
NARANJO AS DIRECTOR OF THE SOCIAL SECURITY SYSTEM;
AND BUSINESSMAN FERNANDO ORTUNO AS PRESIDENT OF THE GOV-
ERNMENT PETROLEUM REFINERY AND DISTRIBUTION CONCERN RECOPE.

18. FINALLY, CARAZO ANNOUNCED THE APPOINTMENT OF A NEW
COUNCIL OF ECONOMIC AND SOCIAL ADVISORS TO BE HEADED BY
EX-MINISTER OF ECONOMY AND KEY CARAZO ADVISOR OSCAR BARA-
HONA STREBER. OTHER MEMBERS OF THIS COUNCIL, IN ADDITION
TO THE CENTRAL BANK PRESIDENT, INCLUDE PROMINENT BUSIN-
ESSMAN ERNESTO ROHRMOSER AND EX-PRESIDENTIAL CANDIDATE
DR. FERNANDO TREJOS.

19. COMMENT: CARAZO HAS GENERALLY BEEN GIVEN GOOD MARKS
FOR HIS CABINET APPOINTMENTS, WHICH RANGE FROM
SLIGHTLY CENTER-LEFT TO CENTER-RIGHT IN IDEOLOGY, INCLUDE WIDE
POLITICAL PARTY REPRESENTATION (INCLUDING
PLN), AND COVER A BROAD AGE SPAN. THE NUMBER OF
WOMEN (FOUR) IS THE MOST EVER IN A COSTA RICAN CABINET.
HIS KEY ECONOMIC APPOINTMENTS--FINANCE, ECONOMY, AGRI-
CULTURE, CENTRAL BANK, ARE OF SPECIAL NOTE; THEY WILL
LIKELY STRIVE TO PROVIDE THE CONSERVATIVE MONETARY AND
FISCAL POLICIES THAT ARE NEEDED IF THE COSTA RICAN ECONOMY
IS TO ADJUST SMOOTHLY TO THE DOWNSIDE OF THE COFFEE COMMODITY
CYCLE. THE APPOINTMENT OF JUNIOR CALDERON AS FOREIGN
MINISTER--AND THE YOUNGEST MEMBER OF THE CABINET--IS
CONSIDERED TO BE ONE OF POLITICAL EXPEDIENCY; IT
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SATISFIES THE DESIRE OF THE MOST IMPORTANT SEGMENT OF THE
COALITION. FOR THE MOST IMPORTANT FOREIGN POLICY MATTERS,
CARAZO CAN BE EXPECTED TO BE HIS OWN FORMER.
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Message Attributes

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